



CEC Biofuels Workshop
September 14, 2009

Rob Elam, President
propelfuels.com



Propel Mission

**Provide public
access to
low-carbon fuels
for California fleets
and consumers**

Building public access 2009



Citrus Heights



Rocklin



Sacramento
Florin Ave



Elk Grove



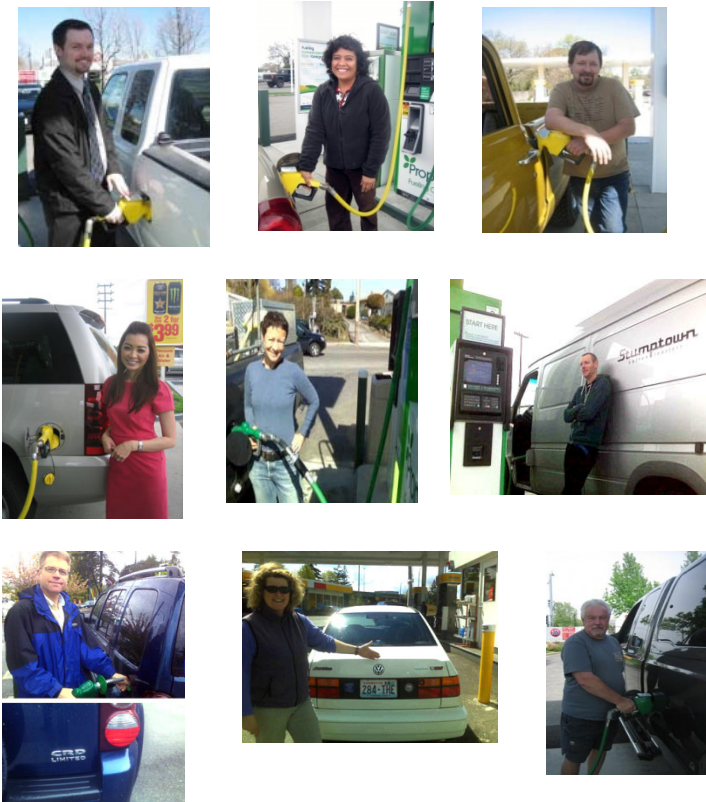
Sacramento – Folsom Blvd

Engaging California drivers

Fleet Market

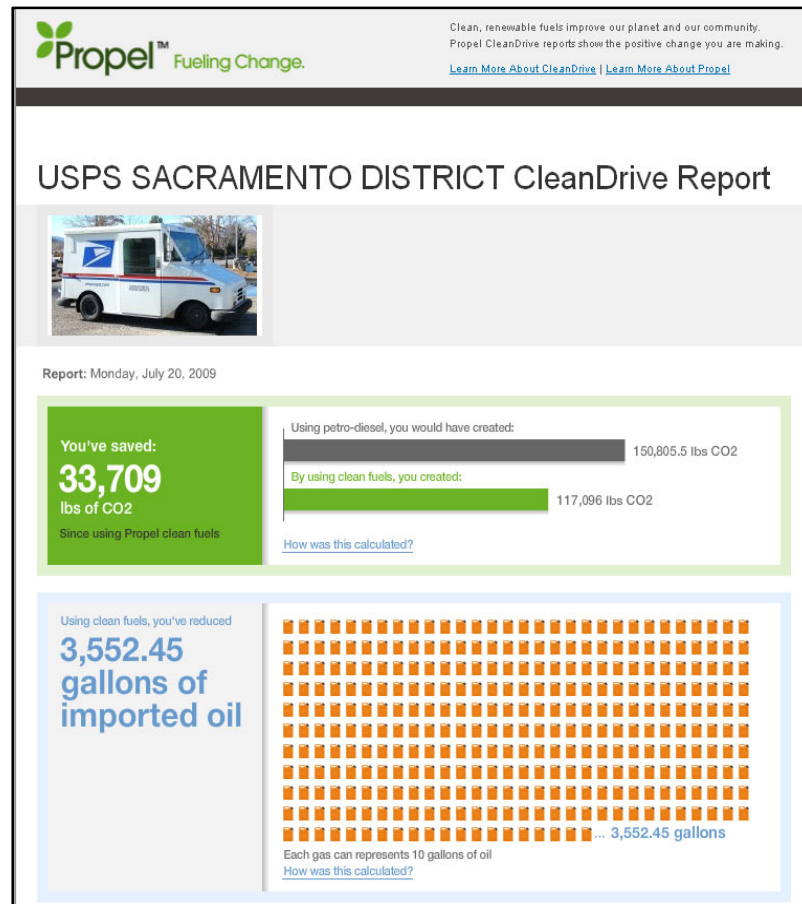


Consumer Market



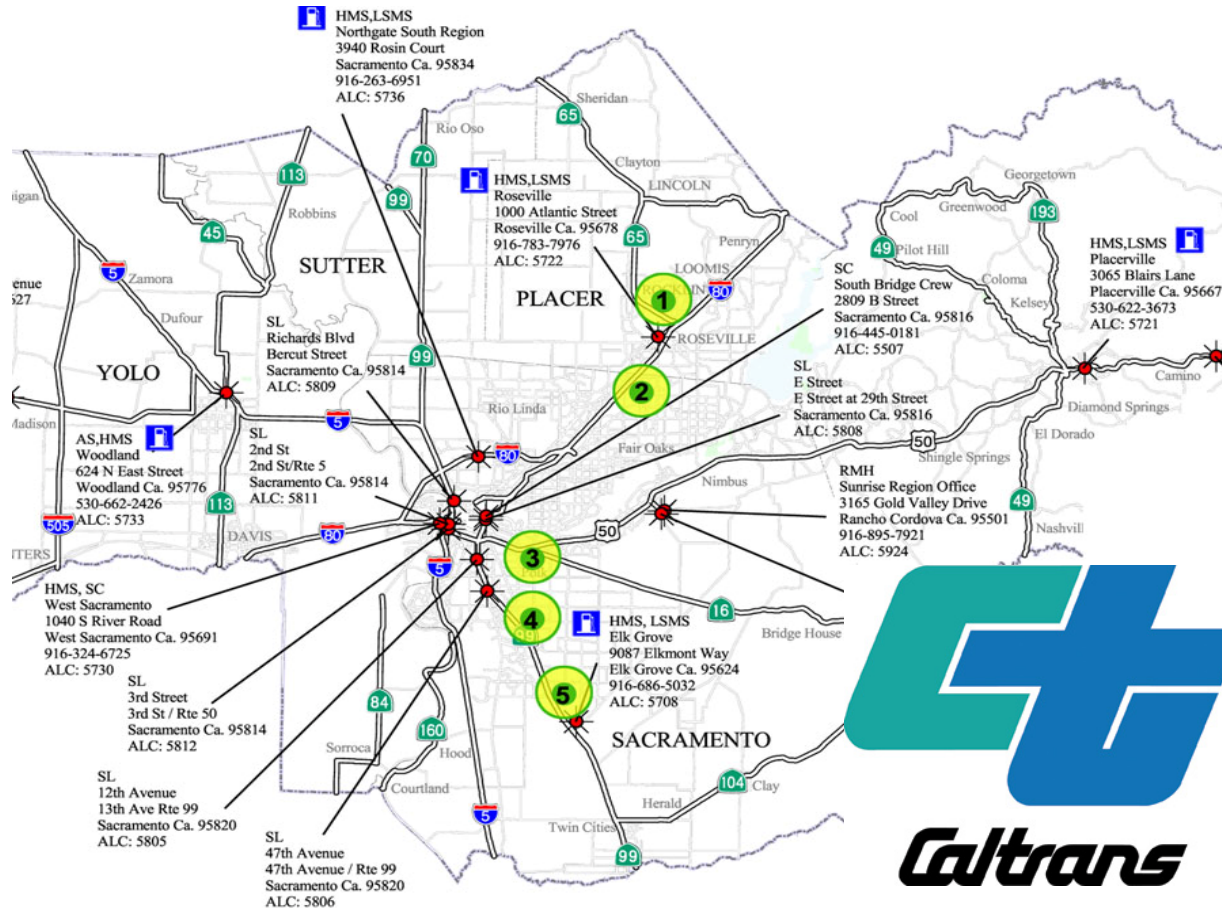
USPS & Propel

Fleet-wide AlternativeFuel program and GHG tracking Registering 800 vehicles with Propel CleanDrive



CalTrans & Propel

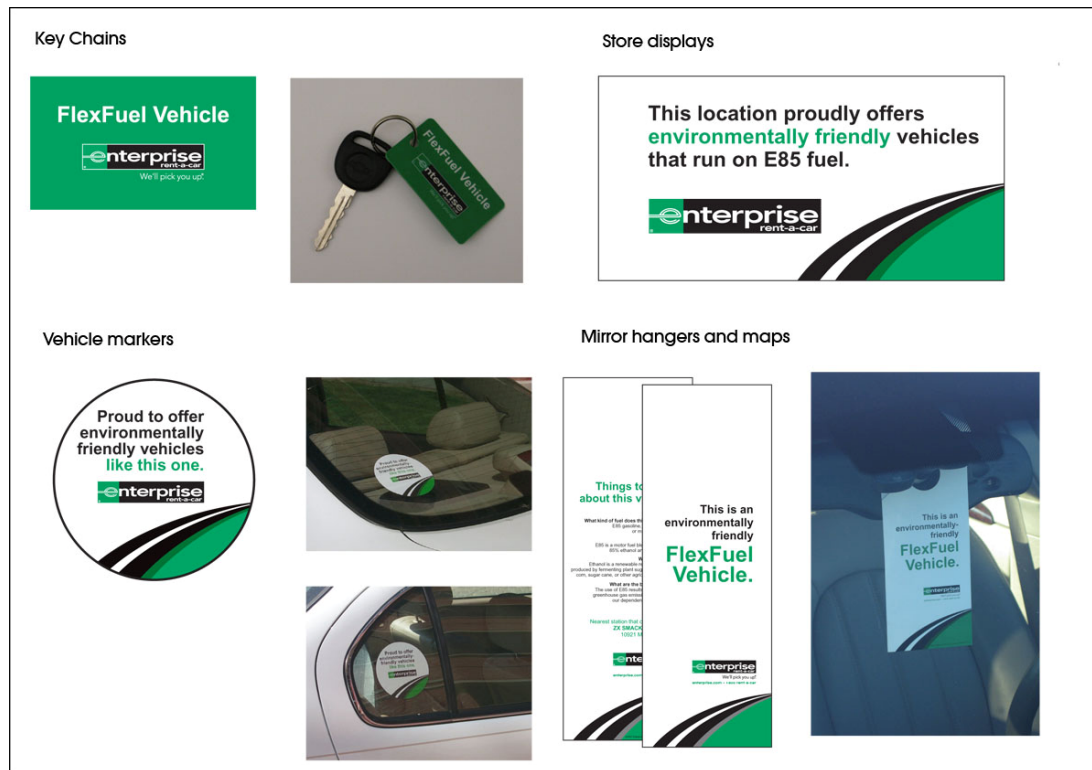
Alt Fuel Program Successfully met 10% goal.



CalTrans Approved District 3 Locations

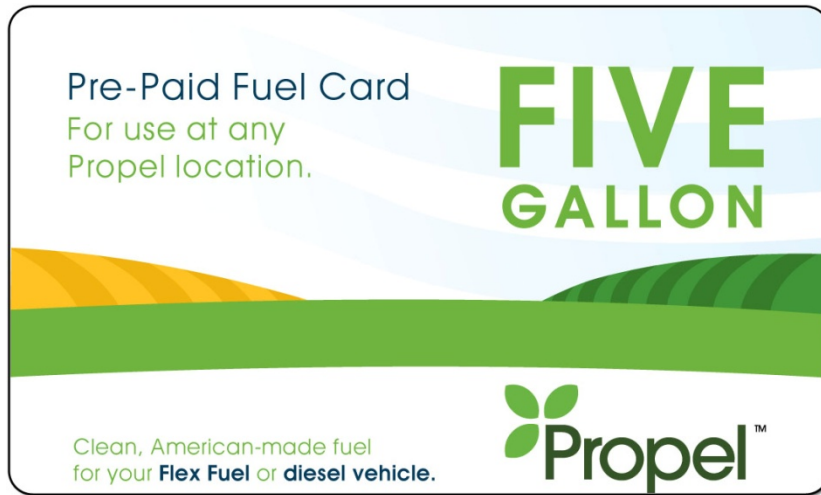
Enterprise Partnership

America's Largest FFV Rental Fleet



- In-store Customer Awareness campaigns
- Pilot Program includes 11 Enterprise locations across Sacramento
- State-wide expansion in development

Chevrolet & Ford Dealerships



- Increase awareness for Alt Fuels
- Provide dealership support and credibility
- **Free Fuel Card:** co-promote with sales and service departments



Local Conservation Corps

Creating Meaningful Green Collar Jobs



- Launched green collar Job Training Program
- Plan to expand state-wide

Consumer Survey

Alternative Fuel Use Analysis



- Completed the most comprehensive alternative fuel consumer survey in state of CA
- Project in coordination with Sacramento State Career Center



Clarify Alternative Fuel Use Patterns

locations

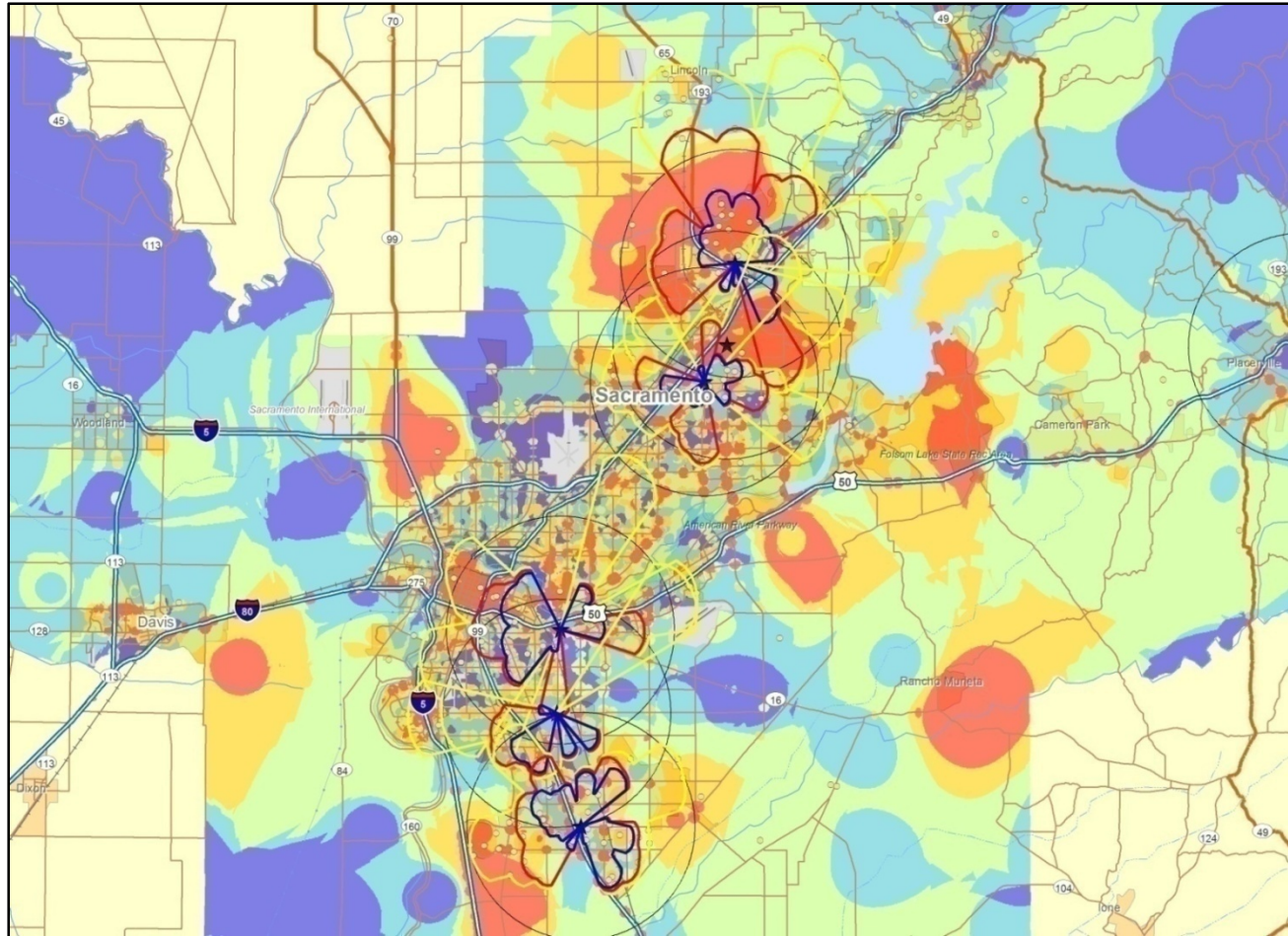
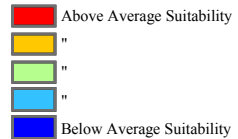
80% trade area

60% trade area

40% trade area

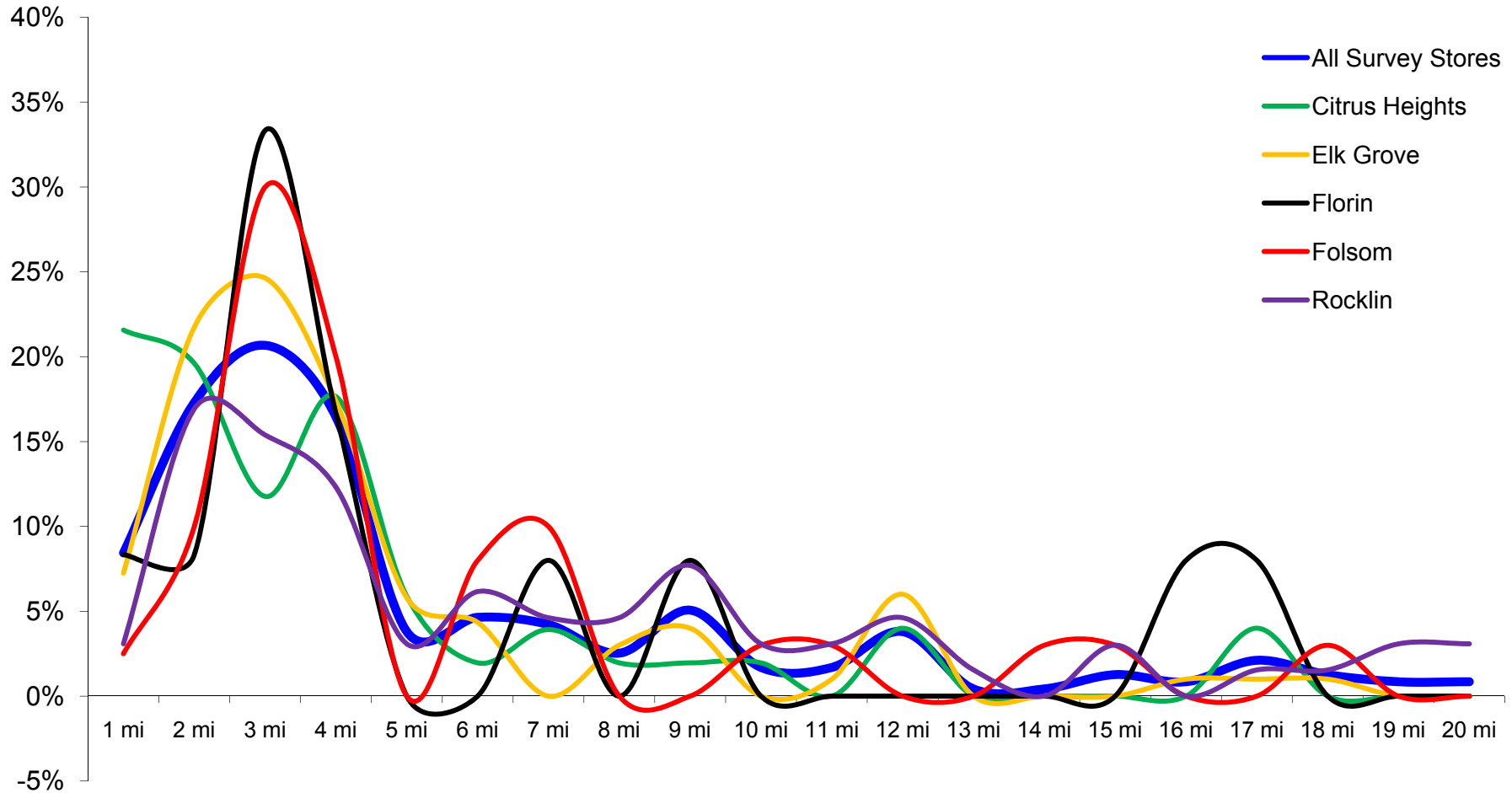
5 Mile Radii

Suitability



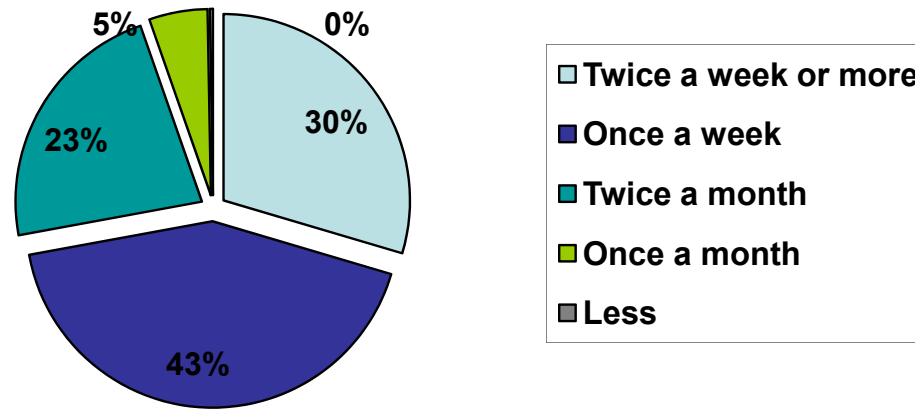
Distance Sensitivity

How far customers will travel for Alt Fuels

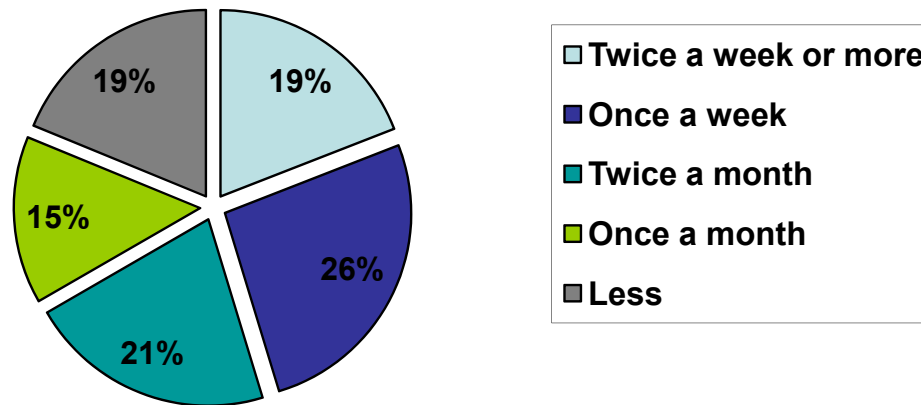


Frequency of Alt Fuel Use, Loyalty patterns

How many times do you fill-up, in an average month?

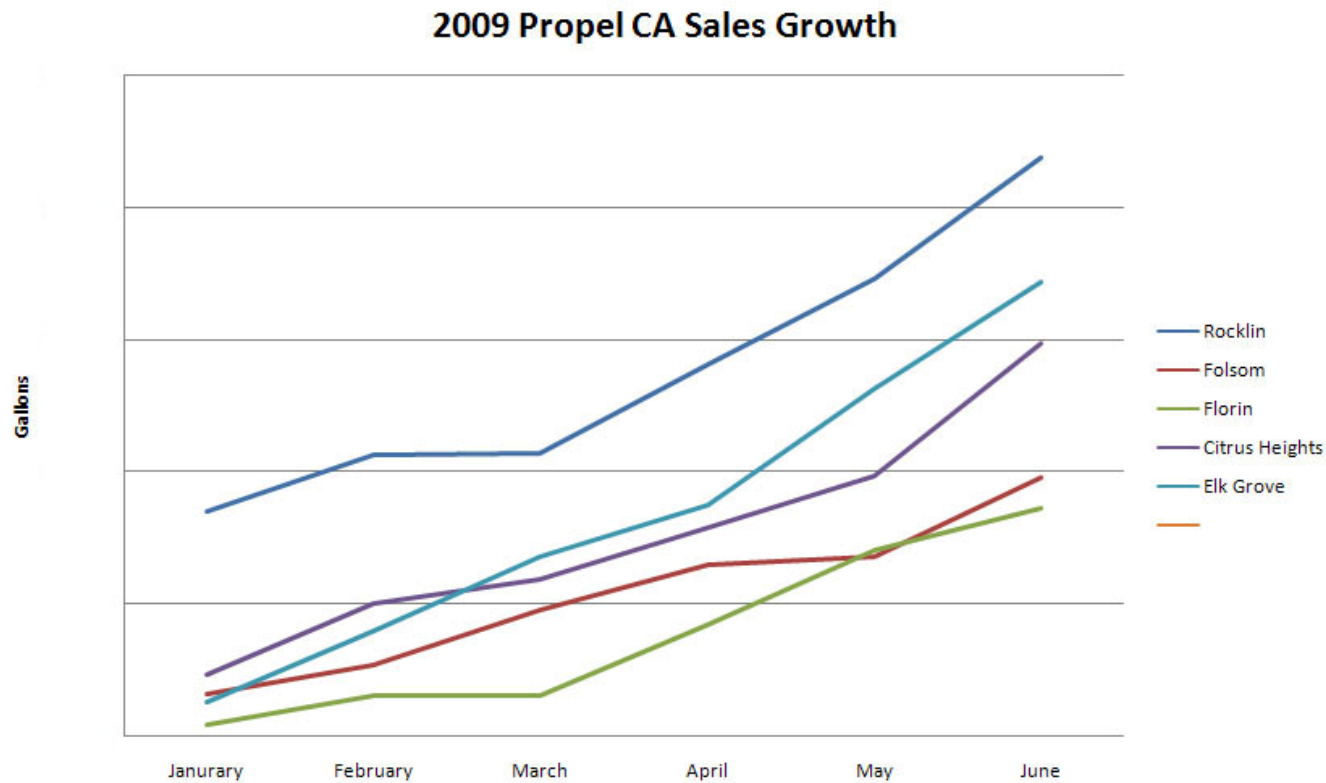


Of those fills, how often do you **fill-up with Alternative Fuels**?



California is Embracing Alternative Fuels

Month of over month volumes are rising.



Building a Low-carbon Fuel Platform

Today's Alternative Fuels E85 & Biodiesel

Building markets for future fuels: algae, cellulosic, H2 & EV



**The Opportunity to build
viable, long term end-user
markets for low carbon
fuels is NOW.**



Making progress, but...

Where is AB118?



Zero Dollars AB118 has provided no support towards stated goals.

- Award timelines have been repeatedly delayed.
- Opportunity lost due to DOE/ARRA match strategy.
- Clean tech VCs and Private investment very concerned about the AB118 process and what future holds.

Headline: Industry experts question where stimulus funds are going.

Mohr Davidow Ventures Partner Marianne Wu said “... companies receiving stimulus funds need to be able to have a long-term competitive impact.”

ARRA is “throwing money at the wrong kinds of industries.”

Cleantech Forum XXIII in Boston, Sept 9th

VC and Private Capital **will invest alongside AB118 funds. IF...**

- CEC is aligned with AB118 stated goals, and actual funding awards.
- CEC needs to do appropriate diligence before awarding dollars, and have transparent process.
- CA has world's largest concentration of Clean Tech investors- why not leverage towards achieving AB118 goals.

ARRA/DOE and AB118 Cost Share?

Question:

Are cost share winners the top scoring proposals in AB118 program? Are CA fees funding projects not aligned with AB118 goals?

Recommendation:

Hit pause button, fund best AB118 projects as evaluated by staff. California sovereignty for CA funds. Why abdicate decision making process to DOE.

Retail infrastructure recommendations

- Support public alt fuel location build out statewide-last mile required for true impact to happen.
- Cost share risk associated with retail build out as market for alt-fuels grows. We are building ahead of the market (chickenoregg).
- Support the most viable ideas and companies.

Discussion



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propelfuels.com

Informational Slides



Need a New Retail Model

to overcome barriers to Alt Fuels

- Propel builds, owns and operates
- Scalable infrastructure deployment
- 100% focus on alt-fuels
- Market to alt-fuel customers
- Efficiencies of scale



And a Scalable Approach

The Propel Clean Fuel Point fueling platform



Green Design: limited space required, low power draw, flexible location options



Fast to Deploy: prefabricated, multi-configurations, three week build



The Best Locations: 8-12 year Agreement with Property Owner



Find The Best Locations

Data Driven Decision Process: Data model developed by Propel. Informed by Propel board member Arthur Rubinfeld, Global President of Starbucks.

Model based on customer metrics:



Vehicle Counts



Traffic Patterns & Demographics

Identify the Right Markets

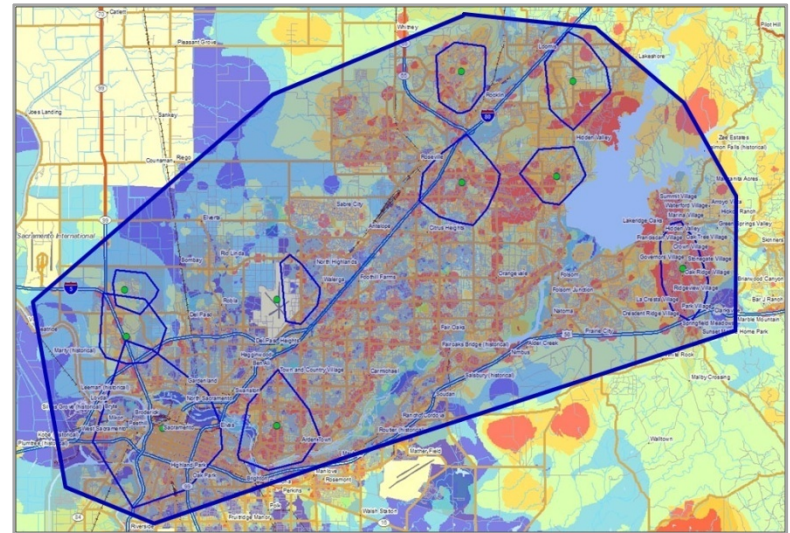
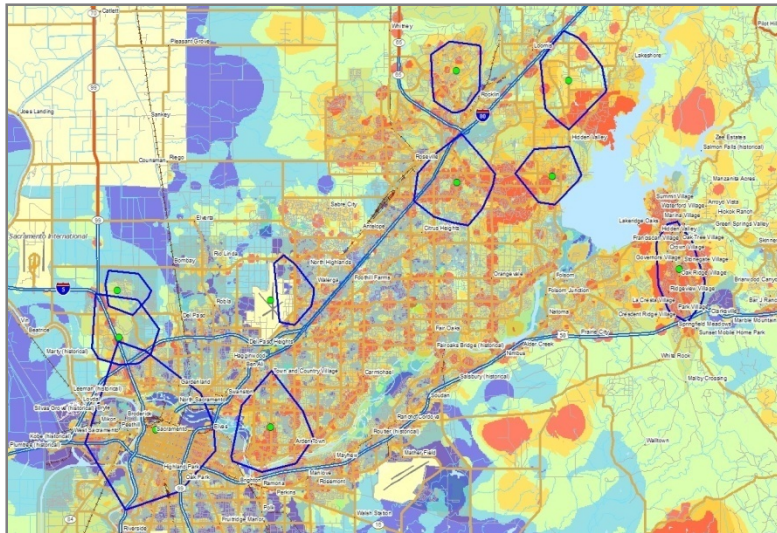
Define Market Holding Capacity

Markets ranked by the number of alt-fuel stations they can effectively support

Sample Market Location	Market Ranking
Los Angeles-Long Beach et al, CA	1
Riverside et al, CA	2
San Francisco-Oakland et al, CA	3
San Diego-Carlsbad et al, CA	4
Sacramento--Arden et al, CA	5
San Jose-Sunnyvale et al, CA	6

Clusters not Corridors

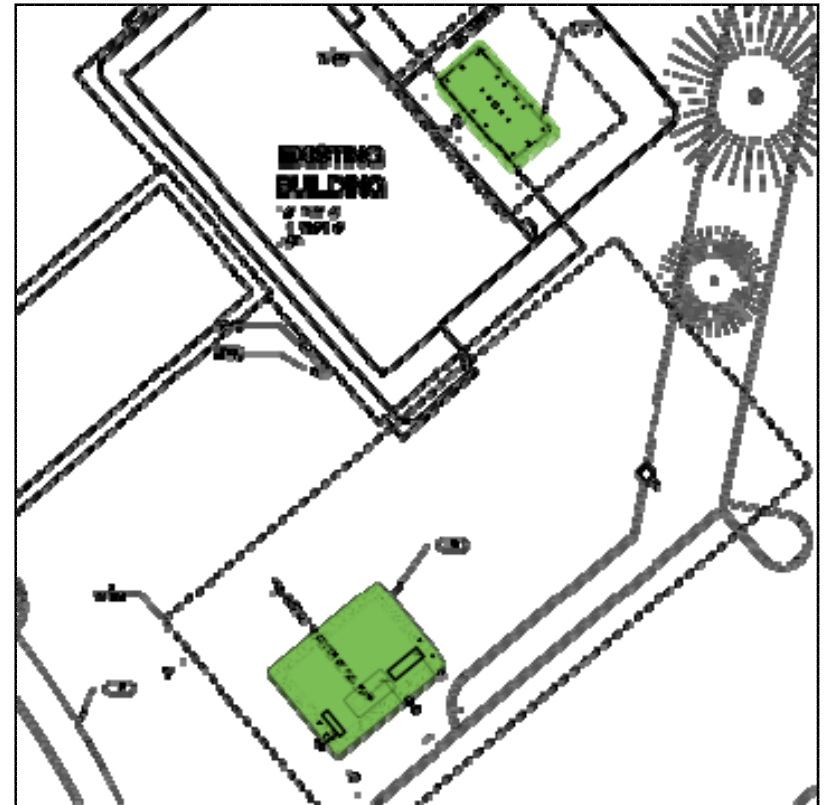
Clusters form by grouping effective trade areas.
Trade areas defined by vehicle density mapping,
drive times and market holding capacity



Permit & Build

Project Management skills and expertise

- ✓ Large scale deployment and resource allocation.
- ✓ Regulatory & Permitting know-how.
- ✓ OEM and Mfr. Relationships
- ✓ Sacramento based HQ



Site Commissioning and Launch



Building a Clean Fuel Brand



 **Propel**™
Fueling Change.

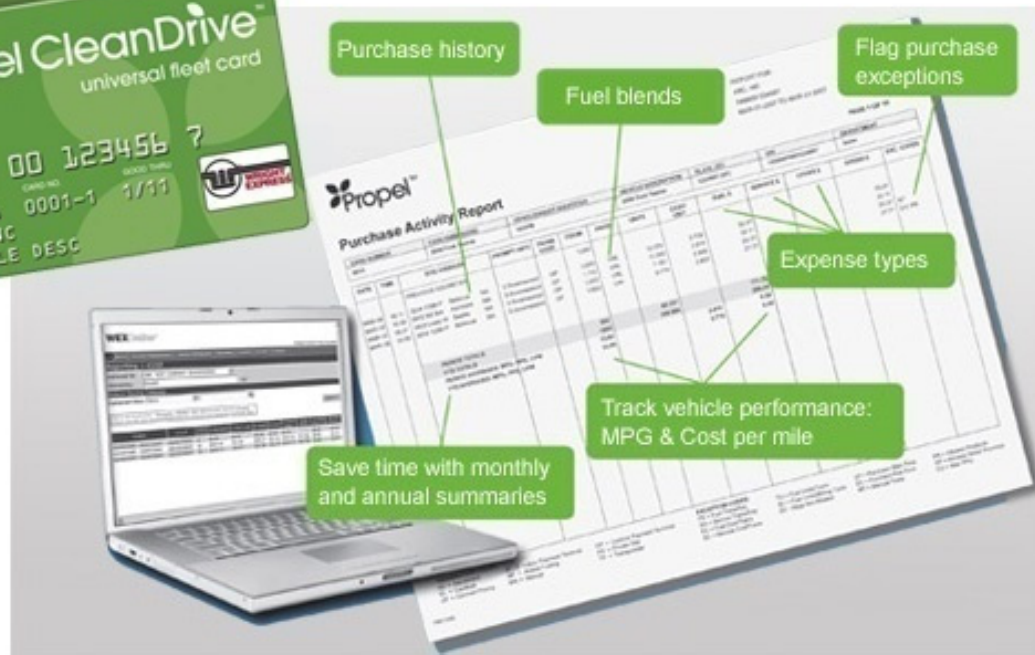


Propel Fleet Services

provide complete fuel management tools



Working to solve Voyager reporting issues: CalTrans, DGS, USPS



Propel Customers

Monitor GHG Reductions

via CleanDrive™ Personalized CO2 Reporting

✓ Track emission reductions
for using low-carbon fuels



✓ Compatible with entire
Propel station network



Compliance reporting

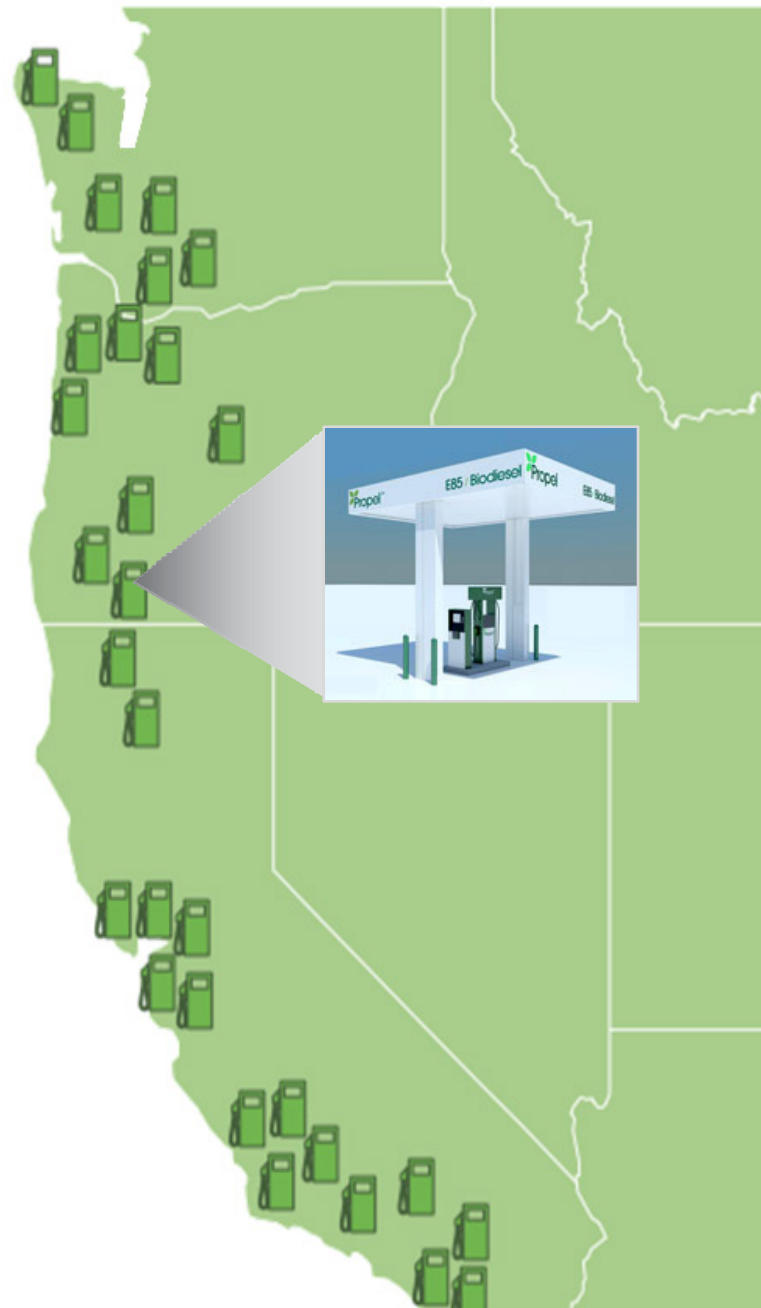


Building access for our Customers



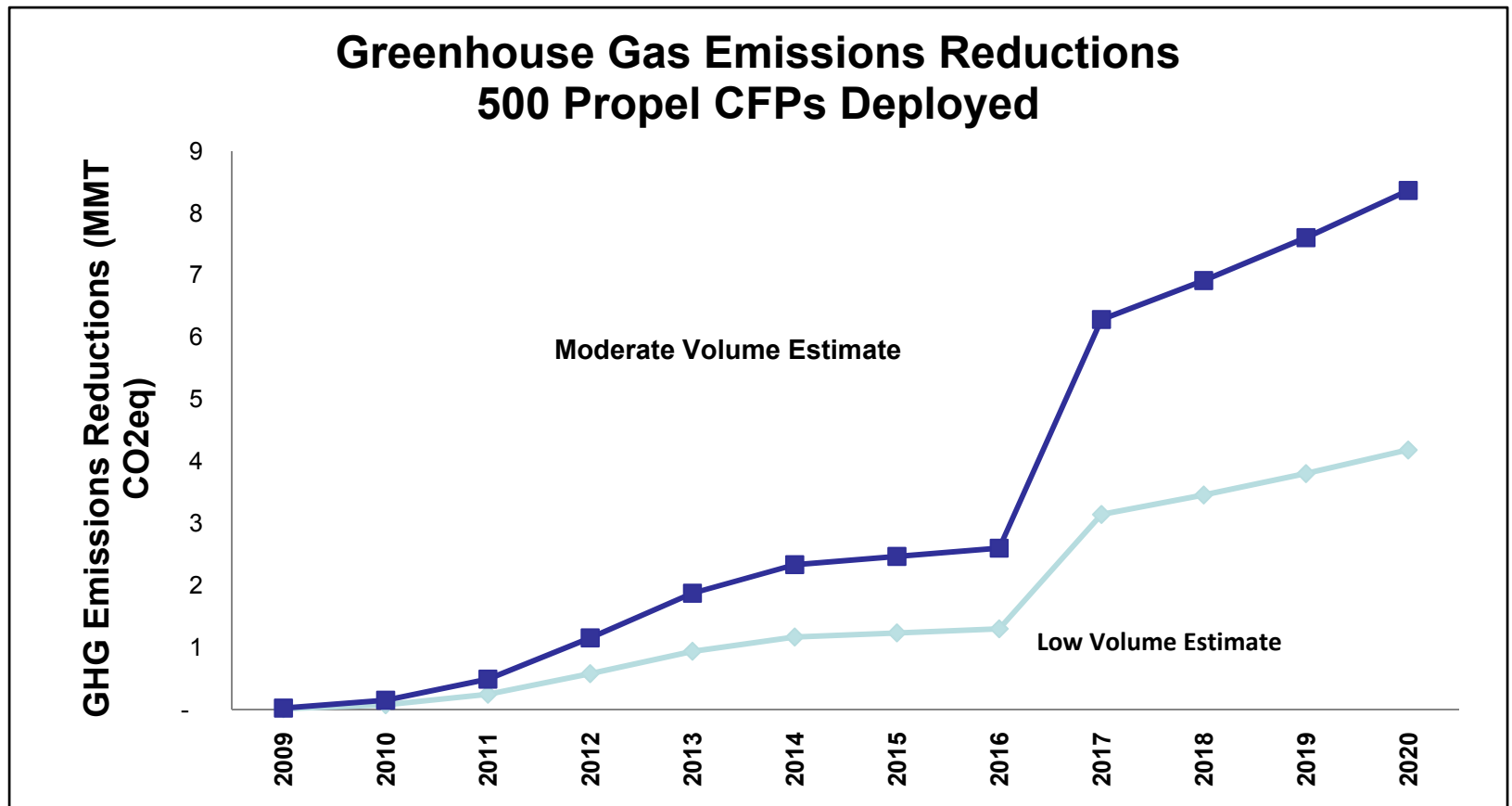
Propel CA 500 Station Plan

- ✓ 500 stations in 5 years
 - ✓ Market based rollout strategy
 - ✓
 - ✓ Alt-fuel platform & quantification tools
- Partnerships with key CA public fleets



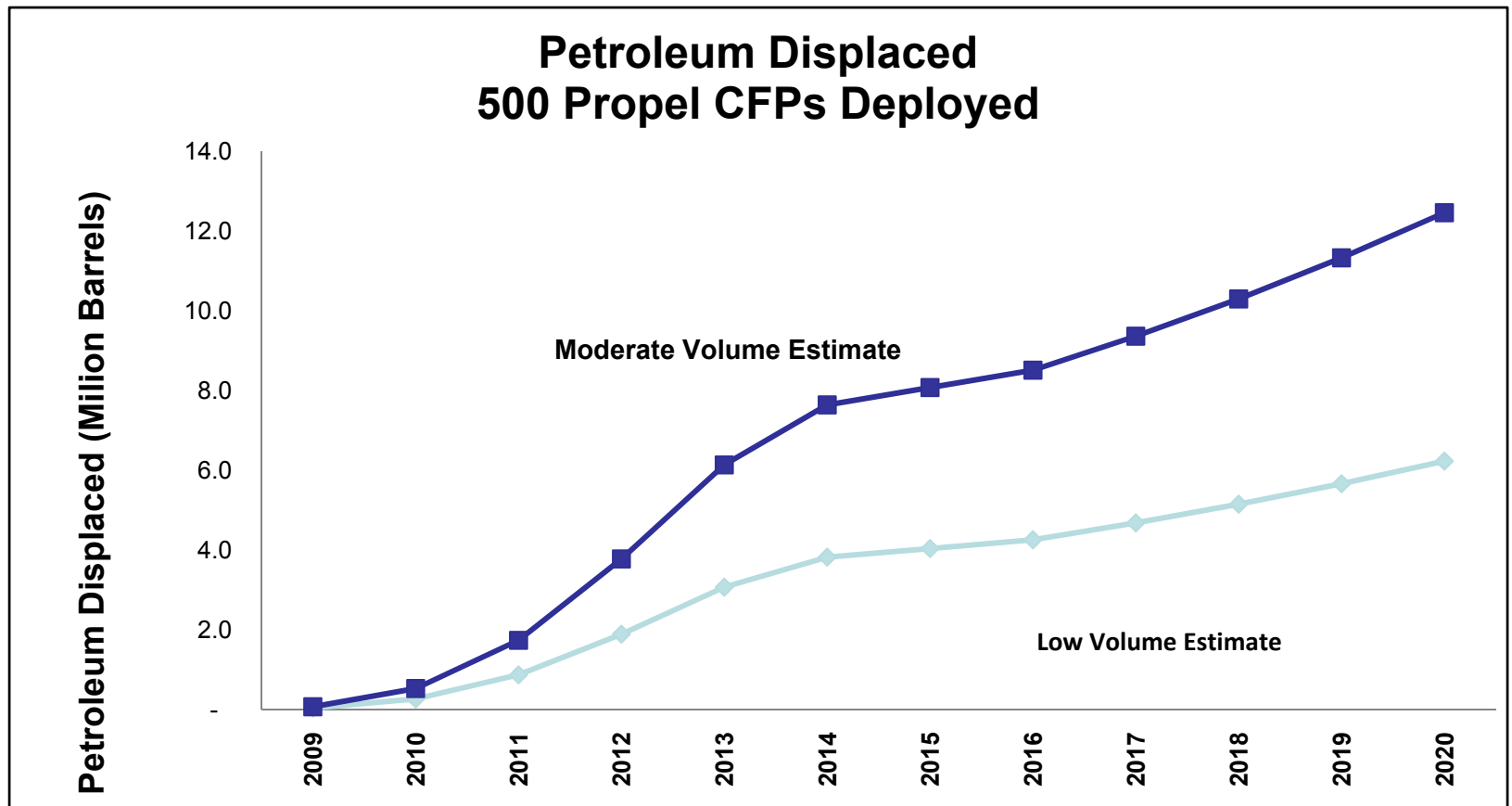
GHG Reductions

Deployment of 500 CFPs reduce between 4 and 8 million tons of GHGs per year



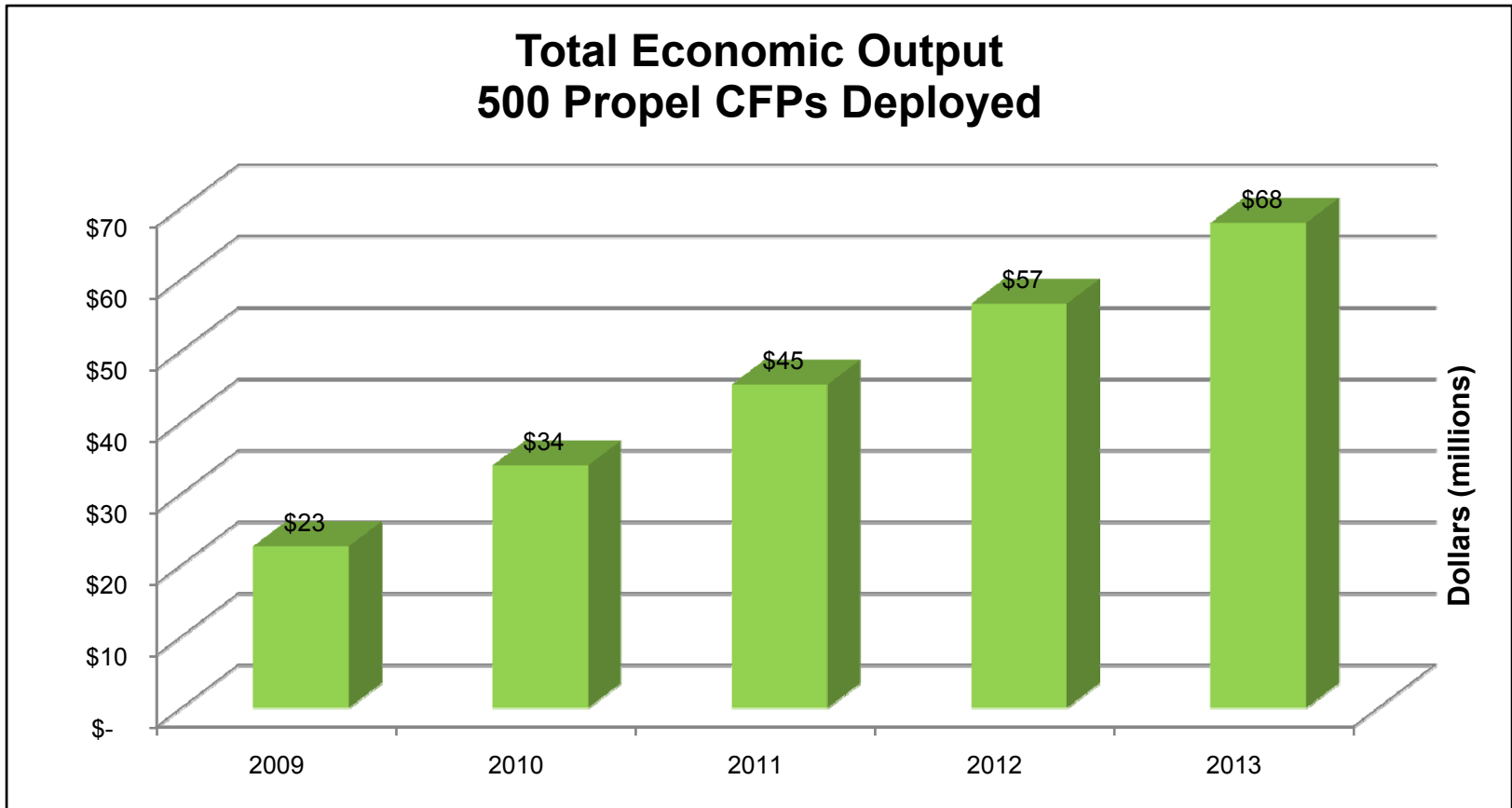
Petroleum Displacement

Deployment of 500 CFPs can displace 6 to 12 million barrels per year of petroleum-based fuel



Economic Benefits

Economic output of more than \$200 million
with creation of over 2600 jobs



Building a Low-carbon Fuel Platform

Today's Alternative Fuels E85 & Biodiesel

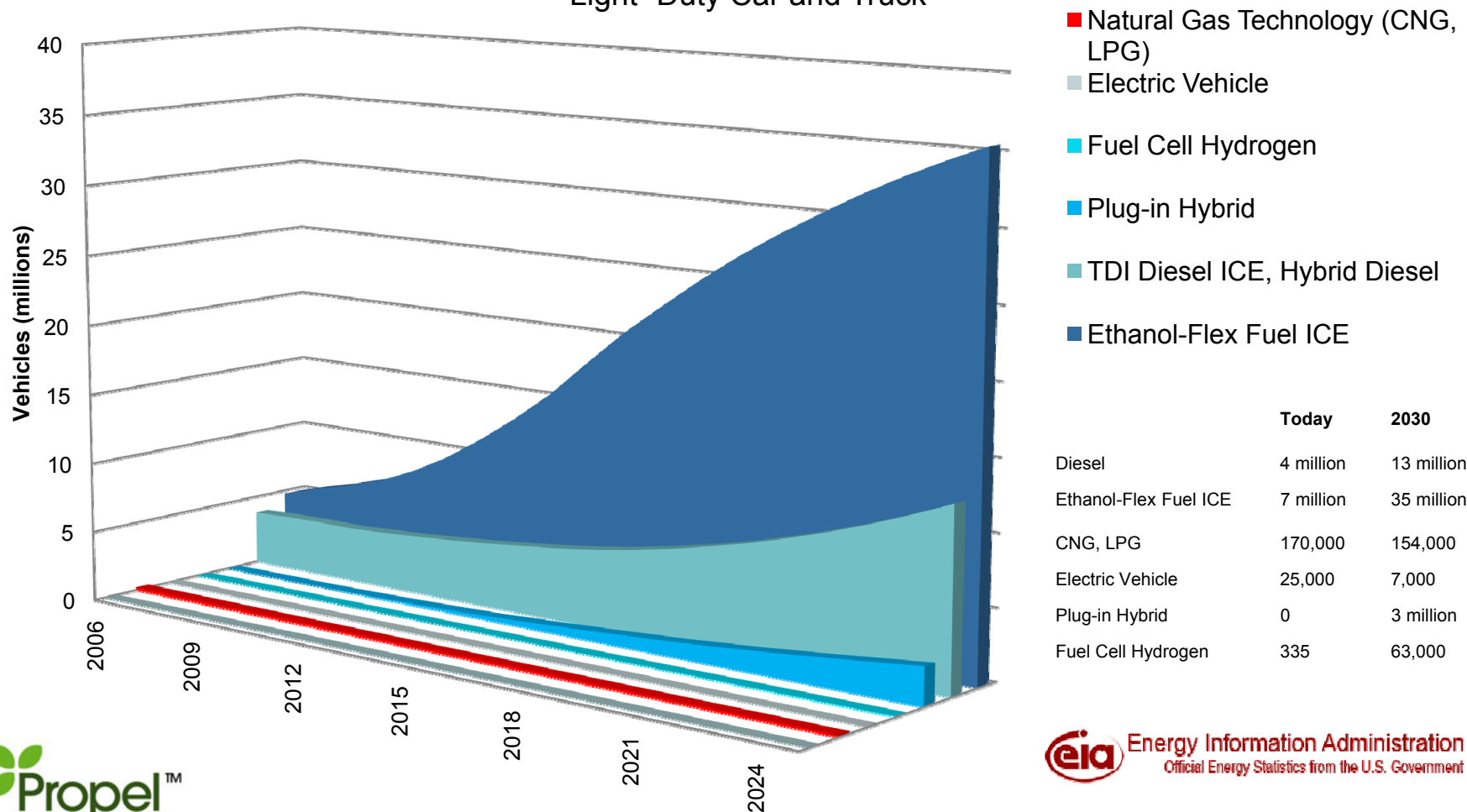
Bridging to future fuels: algae, cellulosic, H2 & EV



U.S. Alt Fuel Vehicle Projections

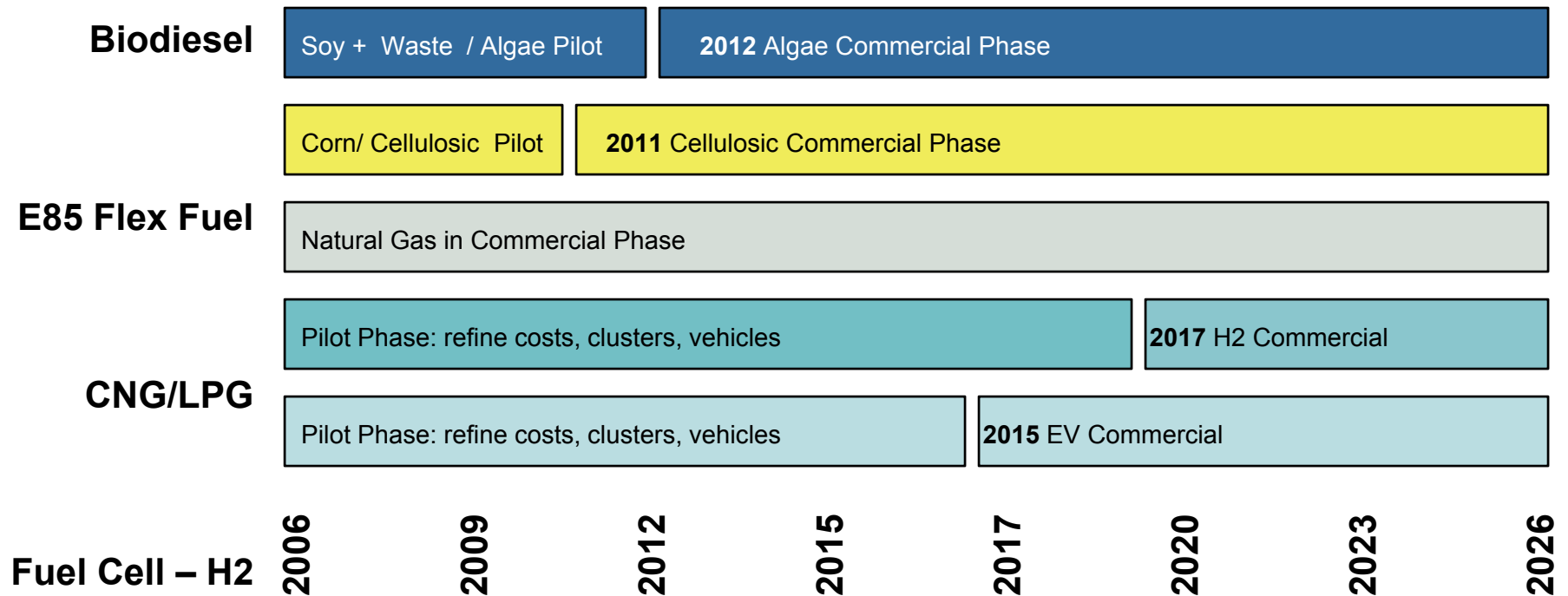
Department of Energy, 2008

Alt-Fuel Vehicle Stock by Technology Type
Light- Duty Car and Truck



Next Generation fuels

Implementation timelines



More Information

Propel Fueling Locations:

www.propelfuels.com

Clean Drive Demo:

propelfuels.com/cleandrive_demo



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